



Frequently Asked Questions

Broadband Funding in the American Recovery and Reinvestment Act

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Since passage of the American Recovery and Reinvestment Act (ARRA, PL 111-6) in February, there has been considerable interest in the broadband language included in the law. This FAQ highlights the broadband sections in the ARRA that are of most interest to the education and library communities. It is linked to the department's broadband site at <http://dpi.wi.gov/pld/arrabbfunding.html>. The website includes links to broadband information from other sites too, including the American Library Association and EDUCAUSE. If you have any questions on the broadband funding or this FAQ contact: Bob Bocher, 608-266-2127, robert.bocher@dpi.wi.gov.

Q 1: How much broadband funding is available and what are the primary purposes of the funding?

A: \$7.2 billion is appropriated in the legislation. Most of this will be awarded in competitive grants, which will require a minimal 20% match from other (non-federal) funding sources. The overall purpose of the ARRA is to stimulate the economy. The specific purposes of the broadband funding are to:

- Provide broadband service to consumers in unserved areas of the country and to improve broadband service to consumers in underserved areas.
- Provide broadband education, training, awareness, access, equipment and support
 - To education institutions, libraries, and other community support organizations to facilitate greater use of broadband by or through these organizations.
 - To organizations that provide access and support services to facilitate greater use of broadband by low-income, unemployed, aged, and other vulnerable populations.

Q 2: Will the broadband funding be administered at the state or local level?

A: Neither. While much of the federal stimulus funding is being administered by states or localities, the broadband funding is being administered by two federal agencies. (1) The Commerce Department's National Telecommunications and Information Administration (NTIA) will receive \$4.7 billion to administer the Broadband Technology Opportunities Program—BTOP. (2) The Agriculture Department's Rural Utilities Service (RUS) will receive \$2.5 billion for a broadband deployment program. Some of the RUS funding will be for low-interest loans. (Note: This FAQ focuses more on the NTIA section of the law because it is more detailed than the RUS section and the RUS language more narrowly focuses on rural areas.)

Q 3: Are grant guidelines and application forms available yet?

A: No. As of the date of this FAQ there has been no announced Notice of Funds Available (NOFA), which opens the application process. Thus while there are many rumors, there is little factual information on the grant process. The law directs the NTIA to "implement the grant program as expeditiously as practicable." NTIA staff have indicated that it will likely have three grant application timeframes: May–June 2009; October–December 2009; April–June 2010. The first NOFA is rumored to be announced in the latter half of June. In addition, the NTIA has said it anticipates four grant programs: (1) Broadband mapping; (2) Public computer center capacity; (3) Innovative uses of broadband, and; (4) Large broadband deployment and expansion.

Q 4: Who can apply for a grant?

A: The program will be open to a wide variety of applicants including government agencies, educational institutions, libraries, not-for-profits, and any other entity—including broadband providers—that the NTIA deems to be "in the public interest." Even schools and libraries with sufficient broadband capacity should be able to apply for grants that address the education and training purposes in the law.

Q 5: While grant forms are not yet available, does the law state what the funding can be used for?

A: Yes. Within the purposes stated in the law, funds can be used for the following:

- To acquire equipment, networking capability and infrastructure for broadband services.
- To construct and deploy broadband service related to infrastructure.
- To ensure access to broadband services by "community anchor institutions."
- To fund other projects the NTIA finds consistent with the purposes of the broadband program.

Also, some of the NTIA funding is targeted at specific groups or for specific purposes. For example:

- A minimum of \$200 million is for grants to expand “public computer center capacity.” Public libraries and community colleges are specifically referenced in the law as eligible for this funding.
- A minimum \$250 million is for grants for “innovative programs” to encourage adoption and sustainability of broadband service. (“Innovative” is not defined in the law.)
- A maximum of \$350 million can be used to develop and maintain a national broadband inventory map.
- The FCC will use an unstated amount to develop a national broadband plan by February 2010. (On April 8 the FCC opened a public comment period seeking input on developing a national broadband plan.)

Q 6: The law uses many terms, like “unserved”. Are these defined in the Act?

A: Many terms like “unserved”, and even “broadband” are not defined in the Act. The NTIA and RUS asked for public comments on how to define these terms and phrases like, “community anchor institutions.”

Q 7: The NTIA and RUS asked for comments on the broadband program. What are some of the key points in the DPI’s comments?

A: DPI stressed that applications providing long-term benefits (e.g., fiber) should be given priority. Preference should also be given to a State’s list of priorities* and to applications that have a large impact. DPI stated that the terms “unserved” or “underserved” do not apply to schools or libraries. But if the NTIA determines that these terms do apply, then define them within the context of their institutions. The DPI also stressed that applications for education and training are likely to be straightforward and thus should have a streamlined application process. Another recommendation was to allow in-kind contributions to meet the 20% funding “match”. DPI’s complete comments are at www.ntia.doc.gov/broadbandgrants/comments/729A.pdf.

(* DPI also sent a letter to the Governor’s Office of Recovery and Reinvestment supporting a State priority to bring fiber to all our public schools and libraries. The DPI thinks that fiber is one of the best uses of the federal funding. There are many ways in which fiber can be implemented and how this is done is ultimately a local school/library decision.)

Q 8: What is the relationship between the new broadband program and the federal E-rate program?

A: There is no direct relationship, other than you obviously cannot get funding from both programs for the same purpose. The DPI views these programs as complementary. The broadband grant program can help pay for initial infrastructure build out (e.g., fiber). And the E-rate can help pay for ongoing costs. (Grants must be completed within two years of being awarded and it is not clear if NTIA funds can be used for ongoing costs.)

Q 9: While grant forms are not yet available, can my school/library do anything right now?

A: Yes. Just about any grant of this nature will likely ask for the following information in some manner. What is the problem or issue you have identified and what is your proposed solution? What are your qualifications to manage/implement the project? What is the project’s timeline? How will the project enhance education or library services? What is the project’s budget and from what source is your 20% match? How will you evaluate your project? How will you sustain it, etc.? Also, in awarding a grant the law states that the NTIA shall consider if the project will provide the greatest broadband speed possible and will enhance service for health care delivery, education, or children.

Q 10: The NTIA/RUS will likely get many thousands of grant applications. How will it prioritize these?

A: This is a large “unknown” but possible ways the federal agencies may address this include the following.

- Limit the length of the grant narrative. (Very likely to be implemented with a limit of 10-15 pages.)
- Allow states to recommend priorities or preferences. (The law allows the NTIA to “consult” with states.)
- Define the purposes of the law or the targeted funding in a narrow fashion.
- Give preference to projects that:
 - Demonstrate a long-term impact (e.g., fiber).
 - Show collaboration and partnerships.
 - Have a regional or statewide impact.
 - Document an existing planning process or organizational structure that predates the ARRA.

It is rumored that at least the first grant cycle will likely have a grant deadline of just 30-60 days. This benefits proposals that are shovel-ready. Projects that cannot make this timeline will need to consider the fall 2009 or spring 2010 grant submission periods. (This assumes there will be three grant application cycles).